

Article XXIV, Guaranteed League-Wide Salary, Salary Cap, & Minimum Team Salary

**ROOKIE "LIKELY TO BE EARNED" INCENTIVES
(REVISED SCHEDULE B)**

PASSING

Passer Rating (224 attempts)	ROUNDS 1 - 3	
	50 rating or less	100%
	51.00 - 75.00	66%
	76.00 - 90.00	50%
	90.00 - 100.00	33%
	100.01 or more	0%
	ALL OTHERS	
	50.00 or less	100%
	51.00 - 75.00	66%
	76.00 - 90.00	25%
	90.01 or more	0%
	ROUNDS 1 - 3	
	Up to 52%	100%
Completion Percentage (224 attempts)	52.1 - 56%	66%
	56.1 - 59%	33%
	59.01% or more	0%
	ALL OTHERS	
	Up to 52%	100%
	52.1 - 56%	50%
	56.1 - 59%	25%
	59.01% or more	0%
	ROUNDS 1 - 3	
	3.0% or more	100%
	2.7 - 2.9%	66%
	2.1 - 2.6%	33%
Interception Percentage (224 attempts)	2.0% or less	0%
	ALL OTHERS	
	3.0% or more	100%
	2.7 - 2.9%	50%
	2.1 - 2.6%	25%
	2.0% or less	0%

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**ROOKIE "LIKELY TO BE EARNED" INCENTIVES
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Total Yards	ROUNDS 1 - 3	
Passing	Up to 500 yards	100%
	501 - 700 yards	75%
	701 - 900 yards	50%
	901 - 1,600 yards	25%
	1,601 yards or more	0%
	ALL OTHERS	
	Up to 400 yards	100%
	401 - 600 yards	75%
	601 - 800 yards	50%
	801 - 1,200 yards	25%
	1,201 yards or more	0%
Yards Per Pass (224 attempts)	ROUNDS 1 - 3	
	Under 6	100%
	6.0 - 7	66%
	7.1 - 8	33%
	8.1 - 9	10%
	9.1 or more	0%
	ALL OTHERS	
	Under 6	100%
	6.0 - 7	50%
	7.1 - 8	25%
	8.1 - 9	10%
	9.1 or more	0%
Touchdown Passes	ROUNDS 1 - 3	
	Under 11	100%
	12 - 16	66%
	17 - 23	33%
	24 - 29	10%
	30 or more	0%
	ALL OTHERS	
	Under 11	100%
	12 - 16	50%
	17 - 23	25%
	24 - 29	10%
	30 or more	0%

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**ROOKIE "LIKELY TO BE EARNED" INCENTIVES
(REVISED SCHEDULE B)****RECEIVING**

Total Receptions	ROUNDS 1 - 3	
	Up to 20 catches	100%
	21 - 30 catches	75%
	31 - 35 catches	50%
	36 - 40 catches	25%
	41 catches or more	0%
	ALL OTHERS	
	Up to 10 catches	100%
	11 - 35 catches	50%
	36 - 40 catches	25%
	41 catches or more	0%
Total Yards Receiving	ROUNDS 1 - 3	
	Up to 200 yards	100%
	201 - 300 yards	75%
	301 - 400 yards	50%
	401 - 800 yards	25%
	801 yards or more	0%
	ALL OTHERS	
	Up to 150 yards	100%
	151 - 250 yards	75%
	251 - 350 yards	50%
	351 - 700 yards	25%
	701 yards or more	0%
Average Yards (32 receptions)	ROUNDS 1 - 3	
	Up to 11.5	100%
	11.6 - 14.5	75%
	14.6 - 16.5	50%
	16.6 - 18.5	25%
	18.6 or more	0%
	ALL OTHERS	
	Up to 11.5	100%
	11.6 - 14.5	66%
	14.6 - 16.5	33%
	16.6 - 18.5	10%
	18.6 or more	0%

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**ROOKIE "LIKELY TO BE EARNED" INCENTIVES
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Receiving Touchdowns	ROUNDS 1 - 3	
	Up to 4	100%
	5 - 7	66%
	8 - 11	33%
	12 or more	0%
	ALL OTHERS	
	Up to 4	100%
	5 - 7	50%
	8 - 11	25%
	12 or more	0%
<hr/>		
TOTAL OFFENSE		
Total Yards	ROUNDS 1 - 3	
	Up to 500 yards	100%
	501 - 700 yards	75%
	701 - 900 yards	50%
	901 - 1,600 yards	25%
	1,601 yards or more	0%
	ALL OTHERS	
	Up to 400 yards	100%
	401 - 600 yards	75%
	601 - 800 yards	50%
	801 - 1,200 yards	10%
	1,201 yards or more	0%
Scoring	ROUNDS 1 - 3	
	2 - 28 points	100%
	29 - 65 points	50%
	66 - 75 points	25%
	76 points or more	0%
	ALL OTHERS	
	2 - 28 points	100%
	29 - 55 points	50%
	56 - 75 points	10%
	76 points or more	0%

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DEFENSE

Interceptions	ROUNDS 1 - 3	
	1 - 5	100%
	6 - 10	50%
	11 or more	0%
	ALL OTHERS	
	1 - 3	100%
	4 - 6	33%
	7 or more	0%
Interception Return Yards	ROUNDS 1 - 3	
	0 - 85	100%
	86 - 150	66%
	151 - 190	33%
	191 or more	0%
	ALL OTHERS	
	0 - 65	100%
	66 - 85	50%
	86 - 110	25%
	111 or more	0%
Touchdowns on Interception Returns	ALL	
	1	100%
	2	50%
	3 or more	0%
Opponent Fumble Recoveries	ALL	
	1 - 2	100%
	3 - 4	50%
	5 or more	0%
Opponent Fumble Return Yards	ROUNDS 1 - 3	
	0 - 40	100%
	41 - 65	66%
	66 - 80	33%
	81 or more	0%
	ALL OTHERS	
	0 - 30	100%
	31 - 55	50%
	56 - 75	25%
	76 or more	0%

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**ROOKIE "LIKELY TO BE EARNED" INCENTIVES
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Touchdowns On	ALL	
Opponent Fumble	1	100%
Returns	2	50%
	3 or more	0%
Sacks	ROUNDS 1 - 3	
	.5 - 4 sacks	100%
	4.5 - 6 sacks	50%
	6.5 - 8 sacks	25%
	8.5 sacks or more	0%
	ALL OTHERS	
	.5 - 3 sacks	100%
	3.5 - 6 sacks	50%
	6.5 - 8 sacks	25%
	8.5 sacks or more	0%
PUNT RETURNS		
Total Yards	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 224	100%
	225 - 349	33%
	350 or more	0%
Average (20 returns)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 7.9	100%
	8.0 - 10.9	33%
	11.0 or more	0%
Touchdowns	ROUNDS 1 - 3	100%
	ALL OTHERS	
	1	33%
	2 or more	0%

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KICKOFF RETURNS

Total Yards	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 599	100%
	600 - 649	33%
	650 or more	0%
Average (20 returns)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 19.9	100%
	20.0 - 21.9	33%
	22.0 or more	0%
Touchdowns	ROUNDS 1 - 3	100%
	ALL OTHERS	
	1	33%
	2 or more	0%

PUNTING

Gross Average (40 punts)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 42.4	100%
	42.5 - 43.9	33%
	44.0 or more	0%
Net Average (40 punts)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 35.9	100%
	36.0 - 37.9	33%
	38.0 or more	0%
Inside 20-yard line	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 19	100%
	20 - 23	33%
	24 or more	0%

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**ROOKIE "LIKELY TO BE EARNED" INCENTIVES
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PLACE KICKING

Total Points	ROUNDS 1 - 3	
	Up to 86 points	100%
	87 - 95 points	75%
	96 - 104 points	50%
	105 - 113 points	10%
	114 points or more	0%
	ALL OTHERS	
	Up to 75 points	100%
	76 - 90 points	66%
	91 - 99 points	33%
	100 - 109 points	10%
	110 points or more	0%
Field Goals	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 19	100%
	20 - 26	33%
	27 or more	0%
Field Goal Percentage (16 attempts)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 75%	100%
	75.1 - 80%	33%
	80.1 - 100%	0%
Field Goal Percentage 0-19 yards (4 attempts)	ALL	100%
Field Goal Percentage 20 - 29 yards (4 attempts)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 85%	100%
	85.1 - 95%	33%
	95.1 - 100%	0%
Field Goal Percentage 30 - 39 yards (4 attempts)	ROUNDS 1 - 3	100%
	ALL OTHERS	
	0 - 70%	100%
	70.1 - 90%	33%
	90.1 - 100%	0%

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Field Goal Percentage	ROUNDS 1 - 3	100%
40 - 49 yards	ALL OTHER	
(4 attempts)	0 - 55%	100%
	55.1 - 70%	33%
	70.1 - 100%	0%
Field Goal Percentage	ROUNDS 1 - 3	100%
50 yards or longer	ALL OTHERS	
(3 attempts)	0 - 45%	100%
	45.1 - 60%	33%
	60.1 - 100%	0%

*Side Letters 4/27/93 & 4/27/94

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ENTERING PLAYER POOL INCENTIVES***Team Leaders**

a) If the incentive is written for leading the Club in any official League statistical category [assuming it is on Exhibit A or B], 0% will be counted.

b) If the incentive is written for any ranking other than first on the Club in any official League statistical category, 100% will be counted.

*Side Letter 4/27/93: Sec. 7

c) If the incentive is written for leading the team in kick returns or punt returns, and the player qualifies under the minimum standard established by the League for those statistical categories, the following percentages shall be counted:

ROUNDS 1 - 3	100%
ROUNDS 4 - 5	33%
ROUNDS 6 - 8	10%
ALL OTHERS	0%

*Side Letter 6/30/93: Sec. 16

* Each component of non-cumulative incentives is calculated individually, and only the highest component amount is counted. For example, an incentive clause for a 1st-round running back that provides for \$10,000 for up to 150 yards or \$20,000 for 151-350 yards is counted as \$15,000. (This amount is arrived at by taking the greater of 100% of \$10,000 or 75% of \$20,000, which equals \$15,000. Only the higher component amount of \$15,000 is counted).

*Side Letter 4/27/93: Sec. 8

The following shall count at 100%:

* Any team statistic or team unit statistic, if the statistic was achieved in the prior season (based on prior season's performance).

*Side Letter 4/27/93: Sec. 9

* Incentives within the sole control of the player (e.g., non-guaranteed reporting bonuses, workouts, weight clauses, etc.).

*Side Letter 4/27/93: Sec. 10

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*Any relocation or completion bonus.

*Side Letter 4/27/93: Sec. 11

*Any incentive not measured by official NFL statistics (i.e., hurries, tackles and assists) or incentives based on subjective standards.

*Side Letter 4/27/93: Sec. 12

* Any guaranteed salary or bonus.

*Side Letter 4/27/93: Sec. 13

* Any pre-season or off-season statistics.

*Side Letter 4/27/93: Sec. 14

* Any incentive based upon another player's performance.

*Side Letter 4/27/93: Sec. 15

* Incentives based on leading the team in punting/kicking will be counted at 100%.

*Side Letter 6/30/93: Sec. 18

* If a rookie player has an incentive bonus for touchdowns, we will apply the rushing and receiving touchdowns likely to be earned rule and if a rookie non-kicker has a Total Points incentive, we will apply the total points likely to be earned levels for a rookie kicker to value the incentives.

*Side Letter 7/26/94

***HONORS AND RECOGNIZED MEDIA**

VETERAN HONORS

PRO BOWL

1ST & 2ND ALL NFL

1ST & 2ND ALL CONFERENCE

SUPER BOWL MVP (ROZELLE TROPHY)

MVP-NFL

OFFENSIVE PLAYER OF YEAR — NFL OR CONF

DEFENSIVE PLAYER OF YEAR — NFL OR CONF

PLAYER OF YEAR — NFL OR CONF

VETERAN MEDIA

ASSOCIATED PRESS

PRO FOOTBALL WEEKLY

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PRO FOOTBALL WRITERS OF AMERICA
SPORTING NEWS
FOOTBALL NEWS
FOOTBALL DIGEST
USA TODAY
COLLEGE & PRO FOOTBALL WEEKLY

ROOKIE HONORS (FIRST OR SECOND TEAM)

ROUNDS 1-2

ALL ROOKIE	100%
ALL NFL, PRO BOWL	5%
ALL CONFERENCE	10%
ALL OTHERS	
ALL-ROOKIE	15%
ALL CONFERENCE	5%
ALL	
ROOKIE OF YEAR — NFL OR CONF	0%
ROOKIE OF YEAR — OFFENSE — NFL	0%
ROOKIE OF YEAR — DEFENSE — NFL	0%

ROOKIE MEDIA

ASSOCIATED PRESS
PRO FOOTBALL WEEKLY
PRO FOOTBALL WRITERS OF AMERICA
SPORTING NEWS

*Side Letter 9/25/95 & 4/27/93

**ADDITIONAL INCENTIVE RULES FOR
VETERANS, ROOKIES, INDIVIDUALS AND TEAMS**

* In determining the Salary of a Player Contract for purposes of the Salary Cap, any team performance-related incentive will be revalued under the “likely to be earned” rules if the contract is assigned to a new team through trade or waiver.

*Side Letter 9/21/93: Sec. 1

* In determining the Salary of a Player Contract for purposes of the Salary Cap, any renegotiated contract will be revalued at the time of the renegotiation. Thus, if at the time of the renegotiation, the conditions for an incentive bonus have already been satisfied, that bonus will be deemed “likely to be earned.” Any new or altered incentive bonuses renegotiated in a preexisting contract

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after the start of the regular season in which they may be earned automatically will be deemed "likely to be earned" during that season.

*Side Letter 9/21/93: Sec. 2

* Other than as set forth in [the paragraph immediately following,] for purposes of the Salary Cap and Entering Player Pool, any incentive bonus to an offensive player that is based upon the defensive team's or special team's performance automatically will be deemed "likely to be earned." Conversely, any incentive bonus to a defensive player that is based upon the offensive team's or special team's performance automatically will be deemed "likely to be earned." Any incentive bonus based upon another player's performance automatically will be deemed "likely to be earned."

*Side Letter 9/21/93: Sec. 3

* For purposes of the Salary Cap and Entering Player Pool, any incentive bonus in a contract signed by a Rookie that is based upon special team performance automatically will be deemed "likely to be earned," except for an incentive bonus to a Rookie kicker or Rookie punter that is based upon improvement in the performance of the kicking or punting team. Any incentive bonus to a player who is not a Rookie that is based upon special team performance automatically will be deemed "likely to be earned" unless the player played in at least 50% of his team's special team plays in the previous season.

*Side Letter 9/21/93: Sec. 4

* For purposes of the Salary Cap and Entering Player Pool, any incentive bonus based on the team's performance automatically will be deemed "likely to be earned" if it sets a minimum level of statistical performance that is equal to or lower than that achieved by the team finishing fifth from the bottom in the League in the applicable category during the previous season. For example, an incentive bonus based on a team winning at least a specified number of games will be evaluated by determining whether this number of wins was equal to or lower than that achieved by the team that was fifth from the bottom of the League in wins during the previous season. Conversely, any incentive bonus based on the

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team's performance automatically will be deemed "not likely to be earned" if it sets a minimum level of statistical performance that is equal to or higher than that achieved by the team finishing fifth from the top of the League in the applicable category during the previous season.

*Side Letter 9/21/93: Sec. 5

* Any incentive bonus that is based upon the team achieving a particular ranking in its performance relative either to other teams in the League, or to other teams in its Conference, automatically will be deemed "likely to be earned" if it sets a ranking level equal to or lower than fifth from the bottom of the League or third from the bottom of the Conference, respectively. For example, an incentive bonus that is based on a team finishing 24th in the League in total offense will be deemed "likely to be earned" in a League consisting of 28 teams; similarly, an incentive bonus based on a team finishing 12th in its Conference will be deemed "likely to be earned" in a Conference consisting of 14 teams. Conversely, any incentive bonus that is based upon the team achieving a particular ranking in its performance relative either to other teams in the League, or to other teams in its Conference, automatically will be deemed "not likely to be earned" if it sets a ranking level equal to or higher than fifth from the top of the League or third from the top of the Conference, respectively.

*Side Letter 9/21/93: Sec. 6

* Any incentive bonus based on the team's ranking in its Division automatically will be deemed "likely to be earned."

*Side Letter 9/21/93: Sec. 7

* In any Player Contract signed by a Rookie, if more than three different team performance categories are included as incentives, all but the three incentives with the lowest dollar value automatically will be deemed "likely to be earned." For Player Contracts signed by Rookies selected in rounds one and two of the NFL draft, any team performance bonus automatically will be deemed "likely to be earned" unless coupled with a playtime requirement of at least 35% of the plays for any team incentives that apply in the first year of any Rookie contract, and at

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least 45% of the plays for any team incentives that apply in any subsequent year of such a contract. For Player Contracts signed by all other Rookies, a team performance bonus automatically will be deemed "likely to be earned" unless coupled with a playtime requirement of at least 15% of the plays for any team incentives that apply in the first year of any Rookie contract, and at least 30% of the plays for any team incentives that apply in any subsequent year of such a contract. The provisions of this paragraph supplement and do not override [Paragraph 9] of the parties' letter of agreement of April 27, 1993. The calculation of these playtime requirements shall exclude special teams plays.

*Side Letter 9/21/93: Sec. 9

* In any Player Contract signed by a player other than a Rookie, if more than three different team performance categories are included as incentives, covering the Final Capped Year or thereafter, all but the three incentives with the lowest dollar value automatically will be deemed "likely to be earned." In addition, any team performance bonus for a player other than a Rookie covering the Final Capped Year or thereafter automatically will be deemed "likely to be earned" unless coupled with a playtime requirement equal to or greater than the player's actual playtime during the year prior to the execution of the new Player Contract. If the latter requirement is satisfied, a determination of whether the incentive is "likely to be earned" will be made pursuant to Article X, Paragraph G.3.(a) of the Stipulation and Settlement Agreement and Article XXIV, Section 7(c)(i) of the Collective Bargaining Agreement. The calculation of these playtime requirements shall exclude special teams plays.

*Side Letter 9/21/93: Sec. 10

* Any incentive bonus that is stated in terms of a per play or per game occurrence automatically will be deemed "likely to be earned" to the extent the specified performance was achieved by the player (if an individual incentive) or by the team (if a team incentive) in the previous year. For Rookies, it will be based on 75% of the team leader on the Rookie's team in the specified performance category in the previous year. If not initially counted as "likely to be earned," such incentives shall be counted immediately towards the Salary Cap and Enter-

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ing Player Pool when they are earned.

*Side Letter 9/21/93: Sec. 12

* Any incentive bonus to a kicker or punter for leading his team in any kicking or punting category automatically will be deemed "likely to be earned." In a Player Contract signed by a Rookie quarterback who was drafted in the first round, any incentive bonus for leading his team in any quarterback category in his third NFL season or thereafter automatically will be deemed "likely to be earned." In a Player Contract signed by a Rookie running back who was drafted in the first round, any incentive bonus for leading his team in any running back category automatically will be deemed "likely to be earned." The provisions of this paragraph shall apply notwithstanding [Paragraph 7] of the parties' letter agreement of April 27, 1993.

*Side Letter 9/21/93: Sec. 13

* For purposes of the Salary Cap, any portion of an incentive bonus that is earned, but which had not been deemed likely to be earned at 100 percent of its value, will be deemed earned at the end of the season and not immediately upon attainment of the required performance level, except (1) as provided [two paragraphs] above [in regards to per play or per game occurrences,] (2) if the incentive bonus is actually paid before the end of the season, in which case it will count when paid, (3) if a player leaves the team's roster prior to the end of the season and the conditions of the incentive clause are satisfied prior to leaving, in which case the entire value of the earned bonus will count immediately, or (4) if the contract is renegotiated and the incentive has been earned prior to such renegotiation.

*Side Letter 9/21/93: Sec. 14

* Any incentive bonus which a player and a Club agreed to that depends upon performance in any category not identified in Exhibit A or Exhibit B automatically will be deemed "Likely to be earned."

*Side Letter 5/24/95: Sec. 6

* Any incentive bonus which a player and a Club agree to that: (i) depends upon performance in any category not identified in Exhibit A or Exhibit B; and (ii) is stated

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in terms of per play, per event or per game, or for leading or any ranking on the Club in any such category; shall be prohibited.

*Side Letter 5/24/95: Sec. 7

* Any roster bonus which is deemed not "likely to be earned" based upon the player's performance during the prior year shall immediately be included in Team Salary when earned. Preseason roster bonuses are automatically deemed "likely to be earned."

*Side Letter 5/24/95: Sec. 8

* For purposes of the Salary Cap, any incentive bonus (or portion thereof) that is earned during the [Final Capped] Year, but which had not been deemed likely to be earned at 100 percent of its value during that League Year, will be deemed earned and counted against the Salary Cap immediately upon attainment of the required performance level. Conversely, any incentive bonus (or portion thereof) that had been deemed likely to be earned during the [Final Capped] Year will be immediately credited toward the Salary Cap if the required performance level should, during the course of the [Final Capped] Year, become impossible for the player to attain.

*Side Letter 11/11/93: Sec. 1

* To determine the value of an incentive clause for Salary Cap purposes, either under the specific circumstances set forth in the paragraph above, or under the specific circumstances set forth in paragraph 14 of the letter from Jeffrey L. Kessler to Harold R. Henderson dated September 21, 1993, such incentive clauses will be valued using the Club's performance in the prior season in lieu of the Club's current season performance. Thus, for example, if a Club had 1,000 offensive plays "last season," and an incentive clause were tied to a player's participating in 50 percent of the Club's offensive plays "this season," the incentive would be deemed earned, for Salary Cap purposes only, as of the time the player participated in 500 offensive plays. Similarly, such an incentive would be deemed not earned, for Salary Cap purposes only, as of the time the player had not participated in a sufficient number of offensive plays so that the player could not achieve the incentive based on last

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year's performance (e.g., had participated in only one of the Club's 502 offensive plays). Nothing herein, however, shall affect the player's contractual right to receive or not receive the specified incentive, based upon the performance level actually achieved during that year.

*Side Letter 11/11/93: Sec. 2

* If more than eight different team performance categories are included in a Player Contract signed by a Veteran as incentives, all but the eight incentives with the lowest dollar value automatically will be deemed "likely to be earned." For purposes of this paragraph, each conjunctive combination of performance categories shall be counted as one performance category (e.g., an incentive clause reading, "if A and B and C, then player will receive \$X," shall be counted as one performance category), and each disjunctive combination of performance categories shall be counted by the number of disjunctive performance categories in the combination (e.g., an incentive clause reading, "if A or B or C, then player will receive \$X", shall be counted as three performance categories). In addition, any of the disjunctive performance categories may itself be a conjunctive combination of performance categories (e.g., the "A" in the immediately preceding example may be a conjunctive combination of numerous performance categories, and would be counted as being one category because of its conjunctive nature).

*Side Letter 2/22/96: Sec. 2

* [The above paragraph] does not supersede the terms of any other letter agreement between the parties that automatically deem certain performance incentives to be "likely to be earned" or "not likely to be earned" depending upon whether the incentive fulfills other specified criteria (e.g., Paragraphs 3-10 of the September 21, 1993 letter agreement).

*Side Letter 2/22/96: Sec. 3

* [The two preceding paragraphs do] not apply and the parties reserve their rights with respect to multiyear contracts containing team performance incentives.

*Side Letter 2/22/96: Sec. 4

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(d) **Guaranteed Contracts.** Any portion of Salary for which a Team fully guarantees payment for skill or injury shall be included in Team Salary during the year earned, except that:

(i) In a Player Contract entered into in a Capped Year, Salary fully guaranteed for League Years after the Final Capped Year will be included in Team Salary for the preceding League Years in which the Salary Cap is in effect, in any manner the Team chooses, if payment of the player's entire Salary for the Final Capped Year is not fully guaranteed. For example, without limitation on any other applicable example, and if the Salary Cap is in effect during the 2002 and 2003 League Years, and the player enters into a four-year contract which is not fully guaranteed for the 2002 and 2003 League Years, but is fully guaranteed for the 2004 and 2005 League Years, the full amount of the guaranteed Salary for the 2004 and 2005 League Years will be included in Team Salary for the 2002 and 2003 League Years in a proportion determined by the Team.

(ii) In a Player Contract entered into in a Capped Year, 50% of the Salary fully guaranteed for any League Year beyond three years after the Final Capped Year will be included in Team Salary during the League Year or Years of the Contract in which the Salary Cap is in effect in a proportion to be determined by the Team.

(iii) Any portion of Salary fully guaranteed for any period after a player is released shall be immediately included in Team Salary at the time of his release at the present value rate determined in accordance with the Treasury Note rate published in The Wall Street Journal of February 1 of the League Year of the player's release. In such event, the player shall have the option of being paid such guaranteed amount immediately at the present value rate or under the original schedule provided in the contract. To the extent that such payment puts the Team over its Salary Cap, the rule set forth in Section 7(b)(ii)(1) above, shall apply.

*Extension Agreement 1/8/02

(iv) If any Player Contract entered into in a Capped Year provides for yearly Salary in a sequence that, in the Final Capped Year or later, is fully guaranteed, unguaranteed, and then fully guaranteed, the amount fully guaranteed after the first such unguaranteed year will be allocated over the Capped Years in any manner the Team desires.

* For the purposes of valuing the Salary of a player under the Salary Cap, any portion of such Salary for which a Team guarantees payment shall immediately be included in Team Salary during the year earned, subject only to the exceptions contained in Article XXIV, Section 7(d)(i)-(iv).

*Side Letter 6/23/93: Sec. 2

Article XXIV, Guaranteed League-Wide Salary, Salary Cap, & Minimum Team Salary

(e) **Other Amounts.**

(i) **Loans.** The principal amount of any loan made, guaranteed, or collateralized by a Team or its Team Affiliate to a player shall be included in Team Salary. However, when a player pays back any portion of the principal amount of any such loan, such amount will be added to the Team's Salary Cap to the extent previously included in Team Salary.

* For purposes of the Salary Cap and Entering Player Pool, in the event that a player and Club enter into a fraudulent agreement pursuant to which the player and the Club claim that the player has received a "loan" from the Club, when in fact there is no bona fide loan and the player is merely holding the money for the Club so that he can purport to "repay" the Club during a subsequent Capped Year (and thereby transfer a credit to the Club's Salary Cap for that year), the parties agree that such a fraudulent agreement would constitute an improper circumvention of the Salary Cap and/or Entering Player Pool, in violation of the Stipulation and Settlement Agreement, Article X, Part G, Paragraph 5 (a), and the Collective Bargaining Agreement, Article XXIV, Section 7(e)(i).

*Side Letter 11/11/93: Sec. 3

(ii) **Salary Advances.** The full amount of any Salary advance paid to a player will be included immediately in Salary and Team Salary.

*For purposes of the Salary Cap and Entering Player Pool, any salary advance which a player is not obligated to repay shall be treated as a Signing Bonus.

*Side Letter 6/23/93: Sec. 4

(iii) **Non-Cash Provisions.** The fair market value of all non-cash provisions (e.g., automobiles, houses, insurance policies) shall be included in Team Salary during the year in which such provision is made. If the parties cannot agree on the fair market value of such provisions, such dispute will be submitted to the Impartial Arbitrator.

* Reasonable travel cost, lodging and entertainment, incurred in connection with recruiting an unsigned player (or his affiliate) at a Club facility or Club geographic area will not be included in Team Salary or Benefits.

*Side Letter 5/24/95: Sec. 5

* Expenses for travel, board and lodging for a player par-

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ticipating in an off-season workout program or classroom instruction shall not be included in Salary or Team Salary, so long as such expenses are reasonable and customary and generally offered to all players by that club. Any such expenses in excess of reasonable and customary levels, or not generally offered to all players by that Club, shall immediately be included in Salary and Team Salary.

*Side Letter 5/24/95: Sec. 1

* Except as set forth in the two preceding paragraphs, in Issue No. 30, and in the letter agreement between us dated August 4, 1993 regarding Rookie Orientation Camps, if any money or tangible item of value is provided by any Club to any player (or his affiliate) not pursuant to the CBA or a Player Contract, the value of the money or item shall immediately be included in Salary and the Team Salary of the Club making such provision. This paragraph does not apply to consideration paid to a player (or his affiliate) for nonfootball playing services, which continues to be subject to Article XXIV, Section 1(c)(ii) of the CBA.

*Side Letter 5/24/95: Sec. 4

* Compensation to players for participation in the off-season workout programs or classroom instruction sessions of a Club at the minimum amount set forth in Article XXXV of the CBA shall be included in Team Salary on the first day of such program, calculated by multiplying: (i) the minimum amount set forth in Article XXXV, Section 3; (ii) the number of players scheduled to participate in such program at said minimum amount; (iii) the number of days per week scheduled for such program; and (iv) the number of weeks scheduled for such program. For example, without limitation upon any other example, a Club having a nine-week workout program in the 1994 League Year for sixty players to be paid at the minimum amount will include \$108,000 in its Team Salary on the first day of such program (\$50 per day x four workout days per week x nine weeks x sixty players). At the conclusion of a club's off-season workout program, any such minimum amounts which are unearned and unpaid shall be subtracted from Salary and Team Salary.

*Side Letter 5/24/95: Sec. 3

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* If a Club provides one or more gifts to a player during the term of the player's Player Contract to commemorate the player's retirement, and the player has been under contract with the Club in three or more seasons, the fair market value of such gifts up to \$10,000 shall not be counted as Salary, and any excess fair market value above \$15,000 shall be counted as Salary. If such gifts have a value between \$10,000 and \$15,000, the parties reserve their rights with respect to the treatment of the excess fair market value above \$10,000; in the absence of agreement between the parties on such treatment, the Impartial Arbitrator shall decide. If the player has been under contract with the Club in less than three seasons, the entire fair market value of any such gifts shall be counted as Salary.

*Side Letter 4/16/96

(iv) **Annuities.** The cost to the Team of any annuity provided to any player (but not including any annuity provided pursuant to the player annuity program described in Article XLVIII-A), computed at the Treasury Note rate on *February 1* of the applicable League Year, shall be included immediately in Team Salary.

*Extension Agreement 1/8/02

(f) **Traded Contracts.** In the event that a Player Contract is assigned to another NFL Team, either by trade or pursuant to the NFL's waiver procedure, the assignee Team will count as part of its Team Salary only that portion of the player's Salary which remains unpaid and for which the Team may be obligated. The assignor Team will continue to count as part of its Team Salary only that portion of the player's Salary which has already been paid by the Team and/or any Salary for which the Team remains obligated.

* In determining the Salary of a Player Contract for purposes of the Salary Cap, any team performance-related incentive will be revalued under the "likely to be earned" rules if the contract is assigned to a new team through trade or waiver.

*Side Letter 9/21/93: Sec. 1

* A Club is not required to have Room to execute a Player Contract with a player to whom the Club has exclusive negotiating rights if the player is assigned to another Club via a trade on the same business day as the execution of the contract, and the assignee Club has or makes Room for such Player Contract.

*Side Letter 5/24/95: Sec. 11

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(g) **Mid-Season Contracts.** In the event that a player enters into a Player Contract after the first scheduled game of the regular season, a Team will only count as part of Team Salary that portion of the player's Salary which it might actually pay or might be obligated to pay that season.

Section 8. 30% Rules:

(a) No NFL Player Contract entered into in an Uncapped Year prior to the Final League Year may provide for an annual decrease in Salary, excluding any amount attributable to a signing bonus as defined in Section 7(b)(iv) above, of more than 30% of the Salary of the first League Year of the contract per year. For example, a four-year Player Contract commencing in the 1993 League Year may not provide for an annual decrease of more than 30% of the Salary, excluding amounts treated as a signing bonus, in the 1993 League Year for each of the four years covered by the contract. *Notwithstanding the foregoing, beginning in the 2002 League Year, this rule shall not apply in any Capped Year to any Player Contract that was signed in the 1993 League Year or earlier.*

(b) No NFL Player Contract entered into in a Capped Year and extending into the Final League Year or beyond may provide for an annual increase in Salary, excluding any amount attributable to a signing bonus as defined in Section 7(b)(iv) above, of more than 30% of the Salary provided for in the Final Capped Year, per year, either in the Final League Year or in any subsequent League Year covered by the Player Contract. For example, without limitation on any other applicable example, a four-year Player Contract signed in the 2006 League Year may not provide for an annual increase of more than 30% of the 2006 League Year Salary, excluding amounts treated as a signing bonus, in each of the three additional League Years covered by the Contract.

** Extension Agreement 1/8/02*

** Any amount which a Club may pay to a player to buy out a right the player has or may have to terminate one or more contract years shall be treated as signing bonus at the time the buyout is exercised by the Club, and prorated at that time over the remaining term of the contract, including the current League Year, if the right to terminate and/or the right to buyout is based upon one or more incentives that are not "likely to be earned." Such a buyout amount shall not be included in any calculation for purposes of the 25% Rule for Rookies, set forth in Article XVII, Section 4(e) of the CBA, and/or the 30% Rule, set forth in Article XXIV, Section 8 of the CBA.*

**Side Letter 10/21/96: Sec. 3(a)*

** The parties acknowledge that Class Counsel together with the NFLPA, and the NFL Management Council, disagree as to the treatment of allocated signing bonus*

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and buyout payments when a player's right to terminate one or more contract years and/or the Club's right to buyout is based upon one or more incentives that are "likely to be earned," and not upon any incentives that are not "likely to be earned." These issues are expressly left open. Except to enforce the terms of this paragraph [and the one preceding], the terms of [both these paragraphs] may not be referred to or used by any of the parties in any proceeding, or otherwise, and the parties otherwise reserve all their rights with respect to the subject of this paragraph.

*Side Letter 10/21/96: Sec. 3(b)

* Any amount specified to be paid for the exercise of an option by a Club to extend the term of a Player Contract shall be treated as signing bonus, prorated over the remaining term of the contract commencing in the League Year in which it is exercised or the last League Year in which the option may be exercised, whichever comes first. Such an option amount shall, immediately upon execution of the contract, renegotiation or extension, be included in any calculation for purposes of the 25% Rule for Rookies, set forth in Article XVII, Section 4(e) of the CBA, and/or the 30% Rule, set forth in Article XXIV, Section 8 of the CBA, prorated over the remaining term of the contract commencing in the last League Year in which the option may be exercised. Notwithstanding the foregoing: (i) if a Club renounces its right to exercise the option, the option amount shall not be included in Team Salary as of the date of such renunciation; and (ii) if the club does not renounce, but nonetheless does not exercise the option, the full amount of the option amount previously counted against Team Salary shall be credited to the Club's Salary Cap in the next League Year.

*Side Letter 10/21/96: Sec. 4

Section 9. Renegotiations and Extensions: Provided that all Salary Cap requirements are met, Player Contracts for current and future years may be renegotiated and/or extended except as follows:

(a) The contract of a Veteran Player may not be renegotiated to increase the Salary to be paid to the player during the original terms of the contract for a period of twelve months after the player's most recent contract renegotiation. The first renegotiation of a Veteran Player Contract,

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however, may take place at any time.

(b) No Team and player may agree to renegotiate any term of a previously signed Player Contract for a prior League Year.

(c) No contract renegotiations may be done for a current season after the last regular season game of that season.

(d) A Player Contract signed by a Rookie may not be renegotiated except as provided in Article XVII (Entering Player Pool), Section 4(f).

(e) As provided in Article XXI (Final Eight Plan), Sections 3 and 4.

* No Player Contract, and no contract renegotiation or extension, may be agreed to between a Player and a Club for any term that expires prior to the last day of a League Year. All rights by a player to terminate a Player Contract must be exercised prior to the first day of any League Year to be terminated.

*Side Letter 10/21/96: Sec. 6

* In determining the Salary of a Player Contract for purposes of the Salary Cap, any renegotiated contract will be revalued at the time of the renegotiation. Thus, if at the time of the renegotiation, the conditions for an incentive bonus have already been satisfied, that bonus will be deemed "likely to be earned." Any new or altered incentive bonuses renegotiated in a preexisting contract after the start of the regular season in which they may be earned automatically will be deemed "likely to be earned" during that season.

*Side Letter 9/21/93: Sec. 2

* For purposes of the Salary Cap, any signing bonus given in connection with a contract extension entered into before the expiration of the player's existing contract will be prorated over the remaining years of the unexpired contract together with its extension. The parties agree that, pursuant to the Collective Bargaining Agreement, the player shall always have the right to receive such a signing bonus at the time that the extension is executed, unless the player expressly agrees in the contract to defer payment of the extension bonus, in which case only the present value of the deferred payment, calculated in accordance with the method set forth in Article X, Paragraph G.1.(b) of the Stipulation and Settlement Agreement and Article XXIV, Section 7(a)(ii) of the Collective Bargaining Agreement, shall be prorated (unless the extension is executed within one year of the execution of